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March 10, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mrs. Magalie Roman-Salas
Office of Secretary
Federal Communications Commission
TW-A325
445 12th Street SW
Washington, DC 20554

Re: In the matter of SBC Request for Interpretation, Waiver, or Modification of The SBC/Ameritech Merger Conditions, FCC Docket No. 98-141

Dear Mrs. Roman-Salas:

Attached for filing please find the reply comments of Alcatel USA in the above referenced matter.

Sincerely yours,

David W. Owen
Vice President
Government Relations

cc: International Transcription Services, Inc.
Ms. Janice Myles
Mr. Anthony Dale
Ms. Debbi Byrd

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
SBC Request for Interpretation,	)	CC Docket No. 98-141
Waiver, or Modification of the	)	ASD File No. 99-49
SBC/Ameritech Merger Conditions	)	

REPLY TO COMMENT

Background

On March 2, 2000, Alcatel USA, Inc. filed its comment in support of SBC Communications' ("SBC") February 15, 2000 request for action with the Federal Communications Commission's ("FCC") office of the Common Carrier Bureau ("Bureau"). That request seeks the Bureau's expedited interpretation regarding an SBC proposed ownership arrangement of certain telecommunications equipment.

Alcatel USA is now filing a reply responding to comments and objections by others concerning SBC's request.

Issue

Other commenting parties have asserted that the SBC "Project Pronto" deployment of optically-fed neighborhood nodes would materially hamper competition for advanced data and voice services and unlawfully restrict competitive LECs (CLECs) from deploying equipment of their own choice. Alcatel USA disagrees with these assertions.

Nothing that SBC has proposed would hinder CLEC access to existing copper loops in central offices ("CO") or at the sub-loop accessibility points specified by the FCC in the Unbundled Network Element ("UNE") Remand Order (FCC 99-238). Those facilities and locations would remain in place. Nor does the installation of the nodes preclude CLECs (or SBC affiliates) from installing their own equipment.

What the node deployments will do for the public good is significantly expand advanced service delivery for customers beyond the CO reach of copper-based ADSL services as well as increase the capacity to deliver other services.

DSL Delivery

In the case of ADSL delivery, the Litespan® remote terminal (RT) nodes that SBC deploys will contain combination ADSL + POTS line cards that support standard ADSL interfaces, including Full Rate and G. Lite. As the market leader in ADSL, Alcatel has taken great

care to ensure that is uses standard (ANSI T1.413), DMT ("discrete multi-tone") based ADSL equipment that is compatible with similarly standard customer premises equipment ("CPE"). As noted in our Comment (Alcatel USA, March 2, 2000), sharing this equipment through SBC's proposed Optical Concentration Devices ("OCD") makes it possible for more service providers to serve more customers.

The question of other DSL services that some claim to be superior to ADSL takes us into different territory. The nodes support standards-based DSL systems that interoperate with generally available CPE, but they do not support proprietary service schemes.

Supported DSL services, besides ADSL, include HDSL and, in the future, HDSL2 and VDSL. Examples of unsupported DSL schemes are "SDSL," which currently requires proprietary interfaces and equipment, and "ISDL," which uses different protocols.[1]

It should be noted that ADSL supports symmetrical service delivery (at 384 Kbps), in addition to asymmetrical line rates. HDSL (at 1.5 Mbps) is also symmetrical. Both can be alternatives to the proprietary SDSL schemes and, in any case, SBC's node deployment does not preclude the deployment of separate DSLAMs that support SDSL or any other DSL scheme not supported by Litespan® or offered by SBC.

Line Sharing

As the Commission noted in the Line Sharing Order (FCC-355), ADSL meets the criteria for acceptable deployment on the same lines with POTS. Alcatel Litespan® systems support this line sharing with combination, ADSL + POTS line cards ("ADLUs").[2] Internal electronics and software separate the voice and data traffic for independent delivery to their respective CO interfaces. The POTS traffic is routed to the local digital switch. Multiple provider access to the data traffic can be provided through SBC's OCD.

Exhibit 1 is a high level diagram showing this configuration with Litespan®-2012. This arrangement provides efficient delivery of line shared services, but it does not preclude the deployment of separate DSLAMs and external splitters to allow CLEC access to the high frequency portion of lines that have working POTS supplied by incumbent LECs, as required in the line sharing order.

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[1] For purposes of this discussion of *x*DSL, *x* = the specific type of digital subscriber line ("DSL"), as follows: *A* =asymmetrical, *H* = high-speed (four-wire HDSL or two-wire HDSL2, at 1.536 Mbps), I = integrated services (128 Kbps), *S* = symmetrical or single-line and *V* = very high data rate (Newton).

[2] The ADLU cards are installed on shelves with ATM bank control units ("ABCUs") which, in turn, connect to optical transport facilities that have a single point of termination in the CO.

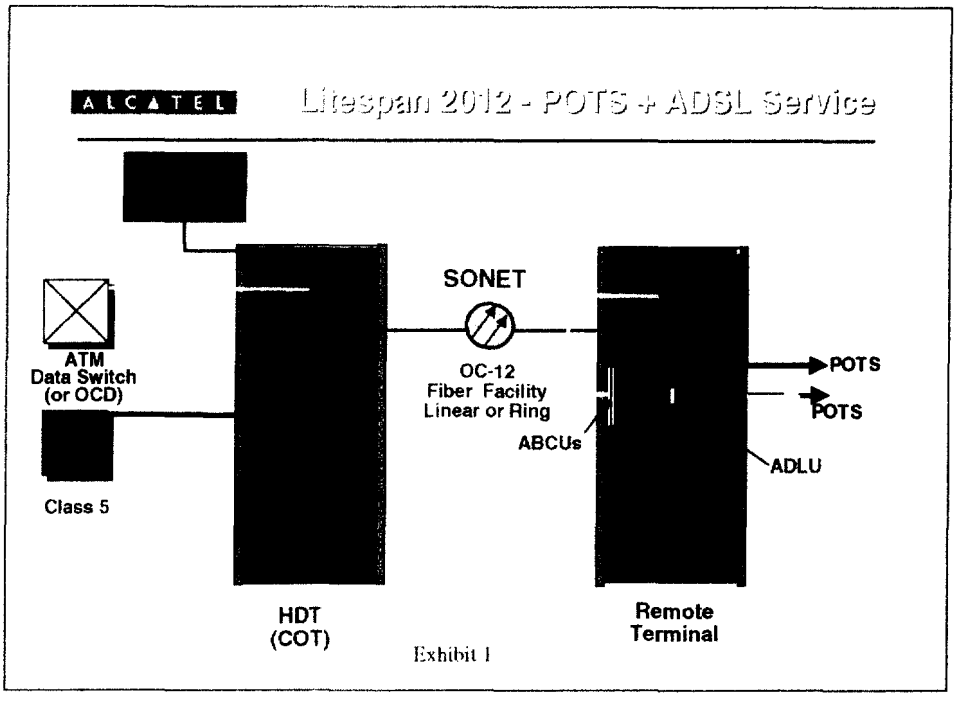

Exhibit 1

Capacity Expansion

As the FCC noted in the line sharing order, ADSL is the only widely used DSL service that is currently acceptable for deployment on the same loops with analog voice services. Other DSL services cannot share the same lines with POTS. The deployment of these services is therefore dependent upon the availability of spare copper pairs. In addition to expanding ADSL delivery, SBC's neighborhood node deployment plan increases the capacity to support these services, much in the same way as more costly copper additions.

In Alcatel's earlier comments, we noted that DLC systems are typically used for feeder relief for POTS (and other services). They augment embedded copper feeder facilities. Exhibit 2 is a general diagram of that application.

When digital loop carrier systems are installed, existing copper facilities usually remain in place. [3] The derived feeder pairs originating at the new remote terminal are extended to one or more feeder distribution interfaces ("FDIs") [4] in the carrier serving area ("CSA"),[5]

[3] Exceptions include DLC placements that replace deteriorated or defective copper feeder plant.

[4] Feeder distribution interfaces, and similar terminals called serving area interfaces (SAIs"), provide flexibility points for interfacing feeder facilities (normally added for economic growth periods) to the distribution cable pairs that are sized for the "ultimate" requirements. The interfaces usually have a center section for the termination of the feeder pairs (minimum of 25-pair increments) and two adjacent sections that terminate the distribution cables. This minimizes the jumper runs for the feeder-to-distribution pair connections. As shown, the feeder pairs may originate at the central office MDF, or be derived feeder pairs

reducing the need to terminate additional copper cables at the CO main distributing frame ("MDF"). This is normally done to the extent DLC is more economical than copper feeder relief while providing similar capacity expansion.

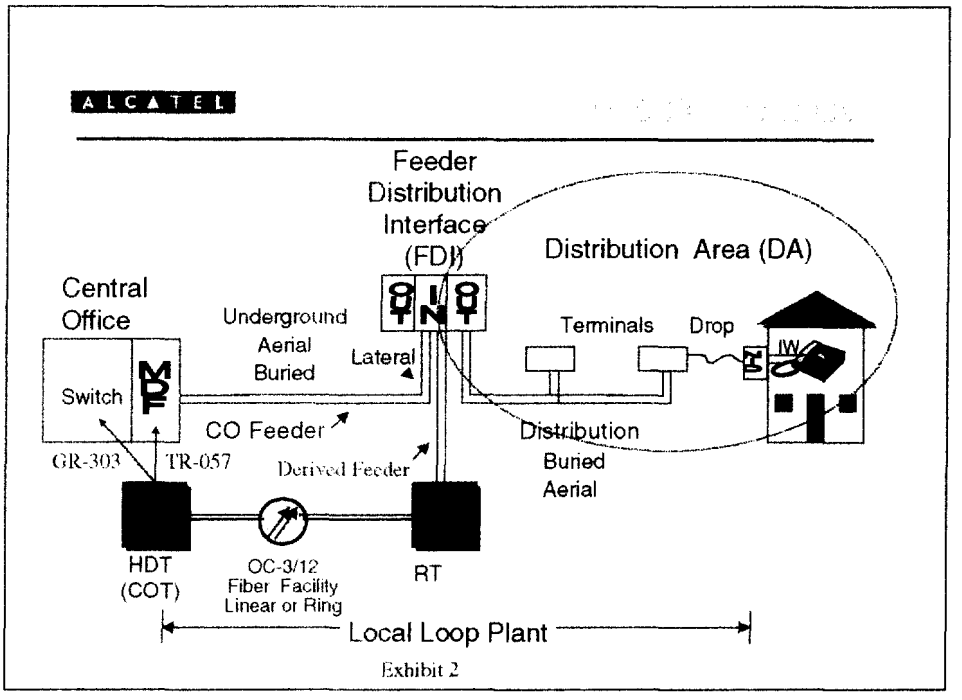

Exhibit 2

Although the demand for POTS lines is the primary driver for RT deployments, the nodes also increase the capability to provide DSL services that cannot be shared with POTS. This is accomplished in at least two ways: 1) Using new derived pairs that are connected to line cards that support standard DSL services (HDSL, HDSL2), and 2) By allowing existing POTS lines served on copper from the CO to be cutover to new derived feeder pairs, freeing the original pairs fed from the CO to be re-used for DSL. The extent to which the latter option can be used does not depend on the DSL services the nodes themselves serve, but rather on the resolution of spectrum management issues raised in the line sharing order. Additional capacity is provided in much the same way as it is without the use of DLC remote terminal nodes, using copper cable additions.

Accessibility to Voice Services

Some of those commenting contended that access to voice services (POTS) would be hampered by SBC's neighborhood node deployment. This too is incorrect.

originating at the digital loop carrier remote terminal ("neighborhood node"), or they may be a combination of CO and derived pairs.

[5] A CSA is the geographical area served by the RT. It may have one or more FDIs and are normally limited to a maximum of 12 Kft., including bridged taps, to allow the use of non-loaded cable plant beyond the RT.

We are not certain of the underlying causes of this objection, but we assume it partly stems from the addition of POTS lines on integrated switch interfaces, a configuration commonly referred to as "integrated digital loop carrier," or "IDLC." This configuration is supported by all Next Generation Digital Loop Carrier ("NGDLC") systems and, to some extent, by traditional DLCs. The standard (non-proprietary) interfaces are commonly referred to (in short form) as "TR-008" (a D4 emulation) and "GR-303" (an interface that supports dynamic time slot assignment). The interfaces to the local digital switch are normally provisioned in DS1 increments.

Although there are significant economic advantages to deploying IDLC for POTS instead of universal digital loop carrier configurations (TR-057), the interfaces make it harder to connect to individual derived pairs. As you know, this was one of the reasons RTs were included in the list of accessible points in the UNE Remand Order. To the extent feasible, that would provide access to the derived pairs served by the RT. With the limitations Alcatel and SBC addressed concerning RT accessibility, we would like to add that these limitations do not preclude the use of paralleling copper facilities or interconnecting at FDIs beyond the RT, in the same fashion available if the RT did not exist.

We would like to further note that Alcatel's Litespan® DLC systems have CO terminal options that support both integrated (GR-303 and TR-008) and universal (TR-057) interfaces, as indicated above in Exhibit 2. These lines have voice frequency (VF) interface terminations on the main distributing frame, similar to copper pair terminations, that can be used for interconnection to collocated facilities. This allows the lines to be used for POTS in the same way as the cable pairs terminated on the MDF. The decision to use the universal digital loop carrier option, either in addition to, or instead of IDLC, is up to SBC and other service providers that use this equipment, but its availability ensures that deployment of the equipment does not, by its nature, present a closed system that restricts access by competing service providers.

Conclusion

SBC's plan for remote node deployment enhances advanced service delivery with ADSL without restricting access for other forms of DSL or voice services. This provides for the continued acceleration of broadband deployment and is in the best interest of the public.

Bell Atlantic and GTE supported SBC's request in their joint comments, emphasizing in particular the efficiency of sharing multi-port line cards among different service providers. AT&T agreed that incumbent LECs should own the equipment used to provide these services (and Sprint "does not oppose" it), while ALTS welcomed the introduction of ILEC-based DSL services into more geographic areas. We agree with these positions.

As previously indicated, Alcatel USA will be glad to provide additional information or accept an invitation to appear before the FCC to make an *ex parte* presentation in support of our original comment and this reply.

If there any questions, please contact Jim Gunther, Alcatel USA regulatory affairs manager at (202) 715-3709 or Darrell Mansur, Alcatel USA senior marketing manager at (707) 792-5713.

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By: David W. Owen

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Certificate of Service

This is to certify that one (1) original and four (4) true and accurate copies of the foregoing was hand delivered this 10th day of March, 2000 to the Office of the Secretary, Magalie Roman Salas, Federal Communications Commission, 445 Twelfth Street, SW, TW-A325, Washington, DC 20554 and to the following parties:

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